

RETAINER AGREEMENT

THIS AGREEMENT is made between the PALESTINIAN Authority ("the Government") and Bannerman and Associates, Inc. (the "Firm").

- 1) The Palestinian Authority and the Firm have agreed that the Firm will render government relations services to assist the Palestinian Authority, working closely with the Palestinian Office in Washington, to further enhance and develop the U.S. - Palestinian bilateral relationship. The Firm will assist the Palestinian Authority in identifying goals and objectives and developing strategies to achieve these goals. The Firm will provide the Palestinian Authority with advice and assistance to further improve and complement contacts with all levels of the United States Government.
- 2) In order to assist the Palestinian Authority to advance more effectively the interests of Palestinians in Washington and to improve the U.S. - Palestinian relationship, the Firm will augment the Palestinian Authority and its Washington Office efforts by:
 - Developing with the Palestinian Authority a clear strategy to promote Palestinian interests in Washington;
 - Generating with the Palestinian Authority creative, concrete approaches to enhance existing relations and to meet challenges in the bilateral relationship;
 - Meeting with the Palestinian Office representatives and the Office staff to coordinate efforts on behalf of the Palestinian Authority;
 - Working with the Palestinian Authority, the U.S. Administration, and Congress to strengthen and enhance the bilateral relationship;
 - Providing the Palestinian Authority with regular analysis of specific aspects of current thinking in Washington on issues of importance;
 - Covering and reporting on Congressional hearings, markups, and conference committee meetings that are relevant to the Palestinian Authority;

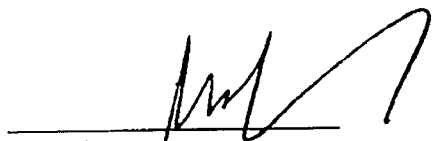
- Maintaining day-to-day contacts with Congressional staff and Administration officials;
 - Tracking and interpreting introduced or pending legislation which may be relevant to the Palestinian Authority and reporting our assessment of these issues back;
 - Providing advice on the coordination of Congressional staff visits to the West Bank and Gaza; and,
 - Suggesting, identifying, and helping to undertake other initiatives which could benefit Palestinians and further strengthen the U.S. - Palestinian relationship.
- 3) The Firm will prepare weekly memoranda on developments in Washington which are relevant to the Palestinian Authority. In addition, memoranda on other issues of interest will be prepared as such issues arise.
- 4) The Firm will be available at all times to advise and assist the Palestinian Authority and its Washington Office. Regular contacts will be established between personnel of the Firm and the Washington Office of the Palestinian Authority. The representative will be kept informed of the issues of importance to Palestinians on which the Firm is active.
- 5) The Firm will help develop and initiate a public relations campaign, which will help counter negative media coverage of the Palestinian Authority and present Palestinian views in the best possible light.
- 6) The firm will commit to work with a relevant counterpart team representing the Palestinian Authority on a work program based on the priorities established by the Palestinian Authority during the first two months after signature of this contract.
- 7) The firm will work with a designated counterpart team as appointed by the Palestinian Authority, and will continue to build capacity among the team in the areas of communications, writing and lobbying skills in the US.

IN WITNESS THEREOF, THE Parties have caused this Agreement to be executed by their duly authorized representatives on the dates written below:

Palestinian Authority

Bannerman and Associates, Inc.

To Be Designated



Mohamad Rachid

Economic Advisor to President Yasser Arafat

DATE:

October 10, 1999

To Be Designated



DATE:

10/15/99